

Department of Natural Resources

> MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

August 26, 2005

Stan Wagner
Ziegler Chemical & Minerals
Star Route
Vernal, Utah 84078

Subject: Second Notice - Delinquent Permit Fees - Further Mining is Suspended

Dear Mr. Wagner:

The Division has not received the annual permit fee payment(s) for the 2005 fiscal year, which were due on or before July 29, 2005 (see R647-2-101.6, R647-3-1-1.7, and R647-4-101.5). Non-payment of permit fees is a violation of the Minerals Regulatory Program and suspends an operator's authorization to conduct exploration or mining operations. YOUR AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED. Permit fees are required until the site has been fully released in writing by the Division.

We have enclosed a "Delinquency Notice" billing statement along with this letter. Please return the bottom portion of your billing statement to ensure the payment is posted to the correct account. Operations may resume upon our receipt of the required fees. If you have already sent in your payment, please accept our thanks and disregard this notice.

The Division will allow you until September 9, 2005 to pay the delinquent permit fees before issuing a Notice of Violation for non-payment, which will carry a fine and penalty. Continuing mining activities before the fee is paid will result in a Cessation Order which carries a separate fine and penalty. Please be advised that fines and penalties are assessed for each separate violation.

We hope to avoid taking any enforcement action regarding the fee payments. Please: 1) submit your payment by September 9, 2005; 2) check the box, if the site is fully reclaimed and revegetated, thereby requesting a site inspection to close the file; or 3) contact me immediately at (801) 538-5358 or Joelle Burns at (801) 538-5291.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

SMW:jb

Enclosure: Delinquency Notice

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State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

ZIEGLER CHEMICAL & MINERALS 366 N BROADWAY STE 210 JERICHO NY 11753-2000

		ATTENTION: GORDON ZIEGLER				
DELINQUENCY NOTICE		Annual Permit Fees (July 2004 thru June 2005)				
PROJECT NAME		PROJECT	D	ACRES	BILLING DATE	
ZIEGLER GILSONITE/COWBOY BANDA		M470013		54	06/28/2005	
PERMIT TYPE		PROJECT STA	TUS		ANNUAL FEE	
LARGE MINING OPERATION > 50 ACRES	Ш	ACTIVE			\$1,000	
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	DUE DATE		JE DATE	AMOUNT DUE		
		09/09/2005		9/2005	\$1,000	
		L				

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED	PROJECT NAME	PROJECT ID		
ZIEGLER CHEMICAL & MINERALS	ZIEGLER GILSONITE/CO	M470013		
DUE DATE ANNUAL FEE AMOUNT DUE	FEE NOT ENCLOSED	Change of Address		
09/09/2005 \$1,000 \$1,000 TAX ID OR SOCIAL SECURITY #	Permittee requests an inspection to close out this permit.	Contact Address		
TAX ID ON OODIAL DESCRIPTION	out this permit.			
DIVISION OF OIL GAS AND MIN 1594 WEST NORTH TEMPLE SI	E-mail address			
PO BOX 145801	State Zip			
SALT LAKE CITY UT 84114-58	Phone			

Please make check payable to:
Division of Oil, Gas and Mining